

Mr. SCOTT of Virginia: Mr. Speaker, I rise in support of H.R. 338, the Stop Tobacco Smuggling in the Territories Act of 2013. This bill is simple and straightforward. It amends the Contraband Cigarette Trafficking Act by including American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam in this act.

Currently, the Contraband Cigarette Trafficking Act makes it illegal to knowingly ship, transport, receive, possess, sell, distribute, or purchase 10,000 or more contraband cigarettes that do not have a State or territorial tax stamp. The act similarly applies to the sale of contraband smokeless tobacco in excess of certain specified quantities. With respect to both activities, the act authorizes the imposition of criminal penalties and fines.

As drafted, however, the bill does not apply to American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam. Thus, the Bureau of Alcohol, Tobacco, Firearms, and Explosives is prohibited from investigating Contraband Cigarette Trafficking Act violations in those territories. H.R. 338 will cure this obvious oversight.

Mr. Speaker, cigarettes are believed to be the most illegally trafficked product in the world. In 2006 alone, more than 10 percent of worldwide sales, or 600 billion cigarettes, were counterfeited.

Contraband cigarettes actually present numerous issues. Legally manufactured cigarettes are diverted from legal trade channels in the underworld for resale, evading the imposition of appropriate taxes, costing territorial governments a significant amount of cigarette excess tax revenue each year. They also facilitate unfair competition that hurts the bottom line of legitimate businesses.

Counterfeit cigarettes are also not subjected to any manufacturing safeguards, therefore presenting the potential for products containing toxic ingredients that can seriously jeopardize the health and safety of the smoker.

The lower price also facilitates easier affordability for our youth, resulting in addiction at earlier ages. The illicit trade therefore adds steadily to the health care costs of worker productivity losses and the growing death from tobacco use. Currently, the use of tobacco claims 5.4 million lives a year. This number is projected to rise to 8 million by 2013.

For these reasons, I strongly support H.R. 338 and thank our colleague from American Samoa, Delegate Faleomavaega, for his leadership in spearheading this issue.

Accordingly, Mr. Speaker, I urge my colleagues to support the legislation.